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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS.  
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## EGG-MARKETING ASSOCIATIONS GAINING STRENGTH

One hundred fifty-six farmers' business organizations reporting to the United States Department of Agriculture, marketed approximately 2,400,000 cases of eggs for their members in 1924. As each case represents 30 dozens, a total of more than 70,000,000 dozens, or 840,000,000 eggs, were handled by agencies created and controlled by the producers. These eggs were sold by the marketing associations for nearly \$22,000,000.

Since all the egg-marketing associations did not send their reports, the above figures are conservative statements of the facts.

Nearly 90 per cent of the cooperative business was transacted by 30 associations located in 10 states, as follows: Missouri, 9; Minnesota, 6; California, 4; Connecticut, Oregon, Texas, and Washington, 2 each; New Hampshire, New York, and Utah, one each.

Nine of the associations handled fewer than 10,000 cases each, one association selling but 1,030 cases; 25 associations, fewer than 100,000 cases each; while each of five associations sold more than 100,000 cases; one association handled 372,112 cases; and another, 627,440.

The average selling value for the 25 associations which reported both number of cases and total value, was \$9.97, a trifle over 33 cents a dozen. Eggs marketed through one of the Minnesota associations brought an average price of \$13 per case, or 43-1/3 cents per dozen, while those marketed through another association brought less than \$7 a case.

All egg-marketing associations reporting have been formed since 1913. The number credited to the different years is as follows: 1913, 1; 1916, 2; 1917, 2; 1920, 4; 1921, 7; 1922, 1; 1923, 6; and 1924, 5.

In addition to the associations in the producing areas, several sales agencies have been set up in the terminal markets and were functioning during 1924.

One of these selling agencies furnished selling service only to the local associations which created it, while the others received eggs from associations other than members. The largest of these sales agencies, located in New York City, handled over 240,000 cases of eggs valued at more than \$2,900,000, and another agency in Los Angeles handled 73,508 cases valued at \$606,953.

NORTH CAROLINA SHIPS FIRST CAR OF EGGS COOPERATIVELY

A beginning in cooperative egg marketing in eastern North Carolina was made on March 11 when a car load of fresh eggs was shipped from Washington, Beaufort County, to Washington, D. C. The shipment contained 203 thirty-dozen cases and brought the farmers \$1,556. The work was directed by the local agent of the agricultural college, assisted by a specialist from the State Division of Markets.

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MARK TWAIN POULTRY ASSOCIATION BEGINS SHIPPING EGGS

After some months of preparation, the Mark Twain Poultry Producers' Association, Hannibal, Mo., began operations early in March by shipping two cars of high-quality eggs. The first pool opened March 3 and closed on March 14. Plans provide for closing pools on the first and fifteenth of each month and for mailing checks to shippers on the sixth and twenty-first. Truck lines will be established as soon as local receiving stations are ready. Sales are being made through the Minnesota Cooperative Egg and Poultry Exchange of St. Paul.

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EGG-MARKETING STATISTICS FOR EIGHT YEARS

The number of cases of eggs handled by the Washington Cooperative Egg and Poultry Association, Seattle, Wash., increased from 14,258 in 1917, the year the association was organized, to 373,112 cases in 1923. Net worth of the corporation increased during the eight-year period from approximately \$1,000 to \$677,489. Membership data show that the organization had 1,196 members in 1920 and 3,643 at the close of 1924.

Available statistical information regarding this association is included in the following table:

Year	Number of Members	Assets	Net Worth	Cases of Eggs	Operating Expenses per Dozen (Cents)
1917	- - -	- - -	\$ 1,052	14,258	- - -
1918	- - -	- - -	4,036	23,187	- - -
1919	- - -	\$44,438	4,415	32,716	3.10
1920	1,196	174,552	46,589	85,060	3.03
1921	2,371	190,126	108,716	200,287	3.92
1922	2,800	397,282	244,514	266,284	3.88
1923	2,998	542,837	515,971	373,112	3.77
1924	3,643	810,920	677,489	326,135	3.67

SOUTHERN CALIFORNIA EGG PRODUCERS COMPLETE FIVE YEAR PERIOD

"We are starting the new year with renewed strength and vigor," is the statement made by the president of the Poultry Producers of Southern California, Inc., Los Angeles, at the annual meeting of the association, January 31, 1925. During the latter part of 1924 the management was engaged in the task of renewing the signatures of a large number of producers whose marketing contracts, signed in 1920, automatically expired with 1924. A new contract, which is virtually perpetual, but with an annual withdrawal privilege, was submitted to the membership and signed by 460 producers owning 418,300 hens. These new contracts, added to 238 signed in 1922 which have not yet expired, gave the association 698 members with 530,160 hens as a basis for starting the new year.

During the five years ending with 1924 the association handled 21,877,185 dozens of eggs. There was accumulated, as a result of the reserves set aside annually to meet contingent losses or expenses, a fund of \$63,275, which amount, now that the five-year period is closed, is available for distribution to the members as a patronage refund on the following basis: Eggs delivered in 1920, 0.335 cents per dozen; 1921, 0.3128 cents; 1922, 0.4393 cents; 1923, no refund; 1924, 0.398 cents. During the first two years annual refunds were made amounting to 0.5 cents in 1920 and one cent per dozen in 1921.

Statistical data regarding the five-year period are given below:

Year	Eggs Handled	Average Pool Price for Extras	Total Patronage Refunds	Dividends to Stockholders
	(Dozens)	(Cents)	(Gents)	
1920	4,103,444	53.46	0.8350	\$ 5,659
1921	4,703,440	39.33	1.3128	6,405
1922	4,139,191	35.19	0.4393	10,220
1923	4,761,164	36.30	.0000	12,997
1924	4,169,946	36.52	.3980	15,505

The association closed the year 1924 with assets amounting to \$354,531, including cash to the amount of \$22,136, and land, buildings and equipment valued at \$117,000. Outstanding capital stock and surplus, after setting aside funds for dividends on capital stock and patronage refunds, amounted to \$205,172.

During the year the association acquired a major interest in the Poultrymen's Cooperative Milling Association and is now prepared to assist its members by group buying of feed and supplies.

An experiment in the direct marketing of eggs, butter and cheese, was made during the year. Five trucks were sent out to serve the housewives of different sections of Los Angeles. After eight months of consistent work the management was convinced that there was no general demand for such service.

Community gatherings where members and management can meet face to face, are being planned. Members are to be urged to make all possible improvement in the quality of eggs to be marketed.

NEARLY TWENTY-EIGHT MILLION POUNDS OF CHEESE HANDLED

As a means of promoting the sale of its cheese, the Wisconsin Cheese Producers' Federation, Plymouth, Wis., has begun the publication of a monthly paper called "American Cheese," in which it is proposed to present good merchandising ideas for the sale and advertising of cheese to the jobbers and wholesalers, practical advertising and display ideas for the retailers, cheese recipes for the housewife, and news of the work of the federation. The circulation is to be confined exclusively to jobbers, wholesalers and retailers of cheese. The first issue appeared under date of February, 1925.

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SOME PATRONS ARE LARGE PRODUCERS

Forty-eight of the 226 patrons of the Grey Eagle Cooperative Creamery Association, Grey Eagle, Minn., received over \$1,000 each during 1924. Two patrons received over \$2,000 each and 13, over \$1,500 each. A total of 413,597 pounds of butter was made which was sold to a Philadelphia chain store company.

The average yearly cost per pound for making butter has varied from 1.57 cents in 1912 to 2.3 cents in 1923.

Figures indicating the growth of the enterprise are given below:

Year	Butter Made		Sales	Number Patrons
	Quantity (Pounds)	Index		
1912	159,228	100	\$ 45,046	159
1913	176,183	111	51,077	161
1914	162,530	102	44,838	154
1915	167,987	106	45,867	133
1916	199,632	125	62,527 :a/	117-164
1917	174,039	109	71,358 :a/	107-161
1918	196,705	124	93,707 :a/	110-175
1919	245,522	154	140,363 :a/	129-196
1920	275,947	173	163,561 :	238
1921	351,757	221	141,177 :a/	168-245
1922	348,672	219	133,569 :a/	177-227
1923	350,452	220	156,008 :	181
1924	413,597	260	168,298 :a/	193-226

a/ The smallest and largest number delivering at different seasons during the year.

The number of patrons delivering cream to the association has varied from 107 in 1917 to 245 in 1921.

SEVENTY PER CENT OF SALES GOES TO MILK PRODUCERS

Seventy per cent of the gross sales of butterfat for the year 1924 was returned to its members by the Fraser Valley Milk Producers' Association, Vancouver, B. C. At the eighth annual meeting, March 5 and 6, 1925, attended by 120 members, a statement was presented showing the disposition of the sales dollar by percentages. Total sales amounted to \$2,923,403, and expenses to \$855,176. The division of expenses was as follows:

	(Per cent)
Freight and hauling.....	\$ 91,875.33      3.14
Processing and distribution.....	525,444.25      18.01
Administration and selling.....	126,729.96      4.31
Fixed charges.....	<u>111,126.84</u> 3.79
Total:.....	\$855,176.38      29.25

Producers were paid \$2,063,227, or 70.75 per cent of total sales.

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FOURTEEN YEARS' WORK REPORTED BY CREAMERY

Net sales of the Askov Creamery Association, Askov, Minn., for the year ending December 31, 1924, amounted to \$155,948, of which the association paid patrons for their butterfat the sum of \$144,703, or 92.8 per cent. A statistical summary of the operations of the association since it began operations, June 26, 1911, to December 31, 1924, is given in connection with the annual statement. The figures are as follows:

Year	Butter Made	Index	Sales	Paid Patrons	Per cent to Patrons
	(Pounds)	:	:	:	:
1911 a/	24,920	---	-----	\$ 5,608	-----
1912	65,545	100	-----	15,470	-----
1913	66,465	101	\$20,064	17,412	87
1914	73,355	112	20,817	17,656	85
1915	95,669	146	-----	22,249	-----
1916	110,089	163	-----	30,226	-----
1917	132,478	202	-----	49,060	-----
1918	138,876	212	-----	61,520	-----
1919	173,933	265	-----	91,206	-----
1920	190,164	290	-----	109,746	-----
1921	246,172	376	98,039	85,820	88
1922	280,163	427	109,214	97,121	89
1923	366,758	560	162,021	150,168	93
1924	389,618	594	155,949	144,703	93

a/ Six months

The association has \$4,290 in outstanding capital stock. In 1914 the number of stockholders was reported as 80, and in 1923 as 176.

SIXTEEN YEARS OF CHEESE MAKING

In sixteen years the output of the 25 cheese factories constituting the Tillamook County Creamery Association, Tillamook, Oreg., has increased 191%, and the sales value of the cheese, 364%. A total of 345,305 tons of milk was received during the 16 years. From this was made 38,417 tons of cheese which was sold for \$17,608,414.

Figures indicating the total number of pounds of cheese made and the sales, with the index numbers, are given below by years:

Year	Cheese Made . . . :			Sales	
	Pounds	Index	Amount	Index	
1909	2,541,057	100	\$ 400,044	100	
1910	2,506,612	99	336,135	96	
1911	2,619,229	103	358,206	89	
1912	3,211,004	126	524,718	131	
1913	3,505,516	138	541,748	135	
1914	3,694,458	145	568,395	142	
1915	4,043,875	159	557,596	139	
1916	4,335,817	171	726,911	182	
1917	4,974,328	196	1,188,052	297	
1918	5,036,900	198	1,352,694	338	
1919	6,091,259	240	2,007,500	502	
1920	6,436,600	253	1,937,956	484	
1921	6,722,393	264	1,576,991	394	
1922	6,615,957	260	1,741,418	435	
1923	7,112,076	280	1,884,689	471	
1924	7,386,100	291	1,855,354	464	

Data relative to the average prices received for cheese are available since 1915, and are given in the table below:

Year	Average Price	Average Cost	Average Price Paid
:	Received	of Making	for 100 lbs. Milk
(Cents per lb.):(Cents per lb.)			
1915	13.79	a/ 1.75	-----
1916	16.76	a/ 1.75	\$ 1.685
1917	23.52	2.311	2.44
1918	26.36	2.685	2.66
1919	32.40	3.437	3.31
1920	29.63	4.137	2.935
1921	23.06	-----	-----
1922	25.79	4.002	2.484
1923	26.50	-----	2.56
1924	24.46	-----	2.31

a/ Estimated.

The average butterfat test for the milk received in 1924 was 4.18 per cent and the average number of pounds of cheese made from 100 pounds of milk was 11.05.

MINNESOTA CREAMERIES ASSOCIATION COMPLETES FOURTH YEAR

Four hundred fifty delegates, representing the 476 local units of the Minnesota Cooperative Creameries Association, Inc., attended the fourth annual meeting of the organization held in St. Paul, March 3 and 4. The combined membership of the locals is 74,256, and these members own 714,685 cows.

The operating statement for the year ending December 31, 1924, indicated total sales of \$13,122,598, made up of the following items:

Creamery machinery and supply sales.....	\$ 1,209,082.05
Butter.....	11,778,312.63
Eggs.....	117,158.82
Cream.....	15,084.25
Cheese.....	2,960.71
Total.....	\$13,122,598.46

Butter in transit, valued at over a million dollars, was not included in the above figures. Other income, including dues, interest earned, discounts and commissions from the New York office, amounted to \$243,413. Operating expenses for the year amounted to \$358,737.17. The various items making up this sum were as follows:

Supply department.....	\$ 41,052.48
Butter department.....	144,496.85
Executive department.....	173,187.84
Total.....	\$358,737.17

Net earnings for 1924 were \$163,212.87, of which amount \$91,971.60 was distributed as a patronage refund, \$70,935.60 in cash and \$21,036 in capital stock. The remainder of the earnings, \$71,241.27, was held as an undistributed surplus to be used as working capital.

Total sales for the year were 7.8 times the assets at the close of the year.

The assets of the organization on December 31, 1924, were \$1,682,105. Of this amount, \$1,130,382 represented butter in transit; \$180,150, cash; and about \$50,000, leaseholds, equipment and fixtures.

Among the liabilities were items representing amounts due because of butter shipped and covered by drafts, \$1,184,342; certificates of indebtedness, \$128,601; capital stock, \$25,837; reserves, \$89,923; and surplus, \$94,766.

The working capital of the association consists of the fund represented by certificates of indebtedness, capital stock paid in, and surplus. Credits to the certificate-of-indebtedness fund represent deductions from returns on butter sales. The fund is used to make advances on butter received and in transit to market. The fund revolves in about twelve days. Non-negotiable notes, payable in two years from date of issue and bearing interest at the rate of 6% per annum, are issued to cover the deductions made.

Both common and preferred capital stock, with a par value of \$25 a share have been issued.

COOPFRATIVE CREAMERY OPERATES TWENTY-NINE YEARS

For more than 29 years the creamery association at Scandinavia, Wis., has been functioning as a cooperative enterprise. It was organized as the Silver Lake Cooperative Creamery Association in 1895, but in 1923 the name was changed to the Scandinavia Creamery Company, the urge for speed in handling business demanding a shorter name. It has a membership of 160.

During the 29 years, 9,311,135 pounds of butter was made which was sold for \$3,140,893. The patrons received \$2,982,389, which was 95% of the sales.

The price of butter ranged during the 29 years from 13 cents a pound in April and July of 1896 to 84 cents in December of 1918 and in November of 1919. The average price per pound for all the butter sold for the entire period was 35.7 cents.

At the close of each year, a printed report has been prepared for the patrons, showing the more important facts by months. The following figures are taken from these reports:

Year	Butter Made	Index Number	Butter Sales (Pounds)	Paid Patrons	
				Amount	Per cent of Sales
					Patrons
1896	84,317	100	\$ 12,879	\$ 9,992	78
1897	116,587	138	19,488	15,933	82
1898	131,023	155	23,750	20,575	87
1899	181,695	215	36,016	32,815	91
1900	212,071	252	45,736	40,383	88
1901	242,130	287	50,336	45,488	90
1902	255,269	303	59,714	56,404	94
1903	308,136	366	70,172	64,779	92
1904	323,742	384	68,202	63,346	93
1905	341,067	405	80,487	76,110	95
1906	Report missing				
1907	370,345	439	102,089	96,507	94
1908	334,073	396	87,460	81,609	93
1909	319,254	379	91,008	87,017	96
1910	333,196	395	99,823	94,711	95
1911	318,385	378	81,909	77,531	95
1912	328,653	390	96,488	91,732	95
1913	373,736	443	116,031	110,930	96
1914	409,125	465	120,659	115,745	96
1915	431,243	511	120,358	116,256	96
1916	429,023	509	140,615	134,179	95
1917	427,856	507	177,174	172,366	97
1918	391,051	464	188,354	183,096	97
1919	406,536	482	237,144	229,508	97
1920	433,028	514	259,057	248,416	96
1921	443,670	526	184,156	173,064	94
1922	430,045	510	164,203	154,823	94
1923	455,647	542	206,872	198,615	96
1924	479,182	568	199,983	190,399	95

TWELVE ACCOUNTING SCHOOLS HELD IN ILLINOIS

Twelve accounting schools were held in Illinois in February for farm advisers and managers and directors of cooperative livestock shipping associations. These meetings were held under the joint auspices of the livestock extension specialist, of the College of Agriculture, and the department of livestock marketing of the Illinois Agricultural Association, and were attended by 533 men. Sixty-five counties and 186 of the 526 livestock shipping associations operating in the state were represented. The largest attendance reported was at Galesburg where 103 came to the meeting.

Among the many subjects discussed, the need for improved accounting methods was emphasized.

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CANADIANS EVOLVE NEW METHOD OF MARKETING CATTLE

Cooperative cattle selling has been developed along new lines by the livestock department of the United Grain Growers, Limited, Winnipeg, Manitoba. Each animal is practically sold twice, first to the marketing association, on its arrival at the stockyards, and second, when the association sells after sorting and grading the animals into lots of uniform quality.

Cattle to be marketed by the pool method are received by the representatives of the United Grain Growers at St. Boniface, Calgary, or Edmonton. The cattle are unloaded, counted, fed, watered, rested, and sorted as to sex and ownership, preparatory to appraisal. The appraiser examines one animal at a time, or two or three at once if of the same class and belonging to the same owner. The appraising is done in public, and the price per cwt. determined upon is announced aloud. As soon as appraised, the animals are weighed and the association proceeds to settle with the owners on the basis of the valuations given.

Payment having been made, the United Grain Growers, Limited, assumes title to the animals, which are sorted into 27 lots, and each lot into bunches of from 18 to 23 animals so as to meet the demands of the market. Six different outlets are used in making final sale, namely: (1) sale for local killing; (2) sale to representatives of outside packers; (3) sale direct to outside packers; (4) sales to farmers in the East, the South or in Western Canada; (5) shipment to consignment markets in Toronto, Montreal, St. Paul, Chicago, Buffalo, or Lancaster; (6) export to British or European markets.

The margin between the appraised value and the final selling value less the expenses, is pooled for each kind and grade of animals for the year, at the end of which each producer receives his prorata share of the accumulated funds in the various pools.

This method of marketing was started at Winnipeg on February 15, 1923. At first, pools were weekly, but on July 1, 1923, they were made to cover a year. At the end of the first year, more than 100,000 animals had been included in the various pools.

GAINS MADE BY TERMINAL LIVESTOCK SALES AGENCIES

Farmer-controlled sales agencies in terminal livestock markets handled 12,466,761 animals in 1924 as compared with 10,031,349 in 1923. The increase in total sales for 1924 as compared with 1923 was \$41,783,224. The percentage increase in number of animals sold cooperatively was 24.3 per cent and the increase in total sales was 21.6 per cent.

At 14 of the terminal markets there was an increase in the number of animals handled by cooperative sales agencies and in four of the markets there were decreases. The greatest numerical gain was made at Chicago where 233,129 more animals were handled in 1924 than in 1923. The greatest percentage gain was made at the Pittsburgh market where the increase was 350 per cent. This gain is largely due to the fact that the cooperative sales agency on this market did not begin functioning until October 8, of 1923. The four markets handling smaller numbers of animals on the cooperative basis in 1924 than in 1923 were Buffalo, Fort Worth, Indianapolis, and St. Joseph, Mo.

Increases in amount of business handled, as measured in dollars, have been reported by the associations at 15 of the markets, and decreases in amount of business handled are reported for three markets.

Detailed figures for the different markets are given below:

City	Number of Animals		Amount of Business		Increase	
	1923	1924	Increase	1923	1924	
Buffalo	654,348	600,598	a/ 8.2	\$11,027,480	\$10,019,529	a/ 9.1
Chicago b/	1,473,886	1,757,015	19.2	31,441,346	38,384,543	22.1
Cleveland	252,476	464,200	83.9	4,842,718	7,693,662	100.2
Denver	115,328	245,701	113.0	1,686,919	3,218,945	90.8
Detroit	376,356	418,800	11.3	7,000,000	8,000,000	14.3
E. St. Louis b/	1,891,969	2,172,750	14.8	30,930,854	38,602,592	24.8
Evansville,,	32,275	92,391	186.3	d/ 351,080	1,492,648	325.2
Fort Worth	181,228	176,929	a/ 2.4	4,046,231	3,599,692	a/ 11.0
Indianapolis	909,032	902,833	a/ -2	15,748,151	16,864,568	7.1
Kansas City c/	266,438	857,115	221.2	15,220,704	18,301,790	20.2
Milwaukee	155,529	166,867	7.3	2,131,187	2,416,837	13.4
Oklahoma City d/	19,206	26,835	39.2	d/ 266,988	524,692	96.5
Omaha	624,332	748,162	19.8	13,251,897	15,261,338	15.2
Peoria	144,250	187,884	30.2	2,524,786	3,436,074	36.1
Pittsburgh	d/ 68,111	306,942	350.6	d/ 1,024,962	4,766,098	365.0
St. Joseph	849,666	792,839	a/ 6.7	15,410,814	15,033,554	a/ 2.4
St. Paul c/	1,616,346	1,820,203	12.6	29,168,446	32,115,358	10.1
Sioux City b/	365,167	728,697	99.6	7,616,640	15,334,139	101.3
Sioux Falls	d/ 35,405	0	0.0	d/ 591,632	0	0.0
Total	10,031,349	12,466,761	24.3	193,282,835	235,066,059	21.6

a/ Decrease.

b/ Two sales agencies.

c/ Three sales agencies.

d/ Operated only part of year.

WISCONSIN WOOL GROWERS SELL COOPERATIVELY

The seventy-one members of the Wisconsin Fleece Wool Growers' Cooperative Association, Pewaukee, Wis., sold their 1924 clip for \$16,803. Although formed about five years ago, the association was incorporated only last year.

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MARKET INFORMATION FURNISHED TO WOOL GROWERS

Primarily a service organization, the California Wool Growers' Association, San Francisco, Calif., disseminates information regarding prices and markets to its members in a weekly letter. Recently a study has been made of the movement of sheep and lambs into and out of California. It was learned that the total arrivals of sheep and lambs shipped into the state during 1924 for slaughter and breeding purposes, were 3,358 single decks or approximately 470,000 head. This is about twice the number of dressed lambs shipped out of the state during the year. This showed that California was not producing enough lambs to satisfy the demands of the home markets the year around. During April, May and June, it has been necessary to ship out a considerable number of lambs, as there is a surplus supply at that time. The growers are, therefore, considering the practical problem of getting part of the surplus lamb crop on the market in March and April and withhold some of the May crop into June.

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WOOL ASSOCIATION FUNCTIONS THIRTY-NINE YEARS

During the year ending June 30, 1924, the Arizona Wool Growers' Association, Phoenix, Ariz., received membership dues to the amount of \$7,394. Its total receipts for the year, including cash on hand at the beginning, were \$10,176.45. After paying \$2,857 for 1922-23 expenses, and \$6,063 for 1923-24 expenses, the year closed with a balance of \$657. The only items of expense for the year of more than three figures were: salary, \$3,166; rent, \$1,096; legal expense, 1923 account, \$1,214. The treasurer believes it will be possible to carry on the work of the association on present membership basis of two cents per head for each sheep owned.

Organization of this association was effected in 1886 and it was incorporated in 1887, and re-incorporated in 1925. It is a service organization with 120 members whom it keeps informed as to matters effecting the marketing of wool and mutton. During the summer the headquarters are at Flagstaff.

OKLAHOMA COTTON ASSOCIATION DISTRIBUTES RETURNS

A distribution amounting to \$2,278,676 was made the middle of March to members of the Oklahoma Cotton Growers' Association, Oklahoma City, on 106,147 bales of cotton classed previous to February 7. This is the largest sum ever distributed at one time by any cooperative association in Oklahoma. It brings the prices to a range of from 19 to 23 cents per pound for the different pools. An additional 856 bales of low grade cotton were not included in this distribution for the reason that so few of them had been sold.

A statement prepared previous to this distribution shows that on March 7 the association had received at interior stations, 141,319 bales, of which 132,058 had been classed, and 124,761 had been sold for March-April delivery or prior. Pool sales on that date had reached the sum of \$12,058,950; loose sales had amounted to \$5,629; and reclamations, or tare gains, to \$44,274. Advances to members on 141,198 bales had amounted to \$9,553,863, and distributions on 130,117 bales, to \$1,695,740. Operating expenses had reached a total of \$178,165.

The association has 54,700 members and the business of the year is expected to exceed \$20,000,000.

TENNESSEE PLANS TO HANDLE ITS OWN COTTON

After due consideration the directors of the Tennessee Cotton Growers' Association have decided that the association shall handle its own cotton the coming season, instead of selling through the Arkansas Cotton Growers' Association as has been done the past two years. The main question to be decided was whether the receipts were large enough to assure efficient operation at a cost not to exceed the cost under the arrangement by which the 1923 and 1924 crops were handled. A careful investigation convinced the directors that the association had now developed to a point where this could be done and the officials were instructed to set up an organization to handle the cotton of the members.

It is proposed not to establish a sales department for the association but to use the sales service of the American Cotton Growers' Exchange which has its headquarters at Memphis, and thus eliminate the necessity of hiring a salesman exclusively for the Tennessee association. This will be the first cotton association to utilize the sales department of the American Cotton Growers' Exchange.

Plans are made also to use the system developed by the systems department of the exchange with its improved methods for keeping records and maintaining low costs.

More cotton was received by the Tennessee association the second year than the first, and the directors feel confident of an increased quantity for the coming season.

Plans have also been completed for the organization of an Agricultural Credit Corporation to aid in financing the members of the association.

FREQUENT PAYMENTS MADE TO PIMA COTTON GROWERS

A fifth payment on 1924 cotton has recently been made to members of the Arizona Pimacotton Growers, Phoenix, Ariz., of 2 cents per pound on short cotton and 4 cents on Pima. These "springtime dollars" come at an opportune time for most farmers. Growers of Pima cotton have now received 44, 42, 40, 34, and 32 cents for cotton ranging from No. 1 to No. 5, and growers of short cotton have received from 22 cents for good middling to 18 cents for strict good ordinary.

It is stated that "Practically a monthly schedule of payments to the members has been maintained by the association, placing the members almost in the salary class."

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FINAL AUDIT FOR 1923-24 OKLAHOMA COTTON OPERATIONS

The final audit of the operations of the Oklahoma Cotton Growers' Association, Oklahoma City, for the 1923-24 season, is published in a recent issue of the Oklahoma Cotton Grower. Total receipts for the year amounted to \$16,410,776; operating expenses and handling charges amounted to \$557,894; the sum of \$128,080 was set aside for a reserve fund; and the remaining \$15,724,802 was distributed to the members for cotton received. This was 95.82% of total receipts. \*

A comparative summary of the figures for 1923-24 and 1922-23 gives the following:

	1923-24	1922-23
	(113,745 bales)	(65,868 bales)
Total receipts.....	\$16,410,776.79	\$8,640,603.30
Handling charges .....	264,321.29	70,797.04
Operating expenses .....	<u>295,572.72</u>	<u>251,346.53</u>
Charges and expenses.....	557,894.01	322,643.57
Balance .....	\$15,852,382.78	\$8,317,959.73
Reserves set aside .....	<u>128,080.26</u>	<u>38,367.30</u>
Distributed to growers .....	\$15,724,802.52	\$8,229,592.43
Percentage of receipts distributed .....	95.82%	95.44%
Percentage handling charges to receipts ..	1.61%	.82%
Percentage operating expenses .....	1.79%	2.91%

Loans for handling the 1923-24 crop totaled \$8,953,226.44, secured from the following sources: Federal loans, \$3,744,500; Eastern loans, \$500,000; state loans, \$4,713,726.44.

An analysis of the operating expenses shows that salaries amounted to \$144,837; office supplies to \$13,131; receiving agents, \$49,642; American Cotton Growers' Exchange, \$35,047; rental and repairs, \$8,826; postage, \$8,252; printing and advertising, \$7,370; travel expense, \$6,864; and many smaller items.

ASSOCIATION PRESIDENT CUTS O.N. SALARY

A voluntary reduction of his own salary from \$30,000 a year to \$20,000 was made recently by the president of the Connecticut Valley Tobacco Association, Hartford, Conn. After two and one-half years of close attention to many perplexing problems, he finds that

Our organization is now in good working condition, our credit firmly established; our accounting, grading, and other administrative departments running smoothly and accurately, and, therefore, the worry and strain upon the office of the executive head of your business has decreased.

For the above reason, and because, furthermore, the 1924 crops of Havana Seed and Broadleaf are crops from which satisfactory returns are impossible, I desire to state that I am unwilling longer to accept my present compensation and suggest that after April first it be fixed at \$20,000 per annum.

Resolutions were adopted by the board of directors commending the action of the president and expressing their confidence in him and their appreciation of his magnanimous act.

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TOBACCO ASSOCIATIONS GAIN MEMBERS

Six of the seven big tobacco marketing associations have a larger membership than a year ago. The total increase in number of members is 8,128, which is an increase of 2.8 per cent.

The figures for the various associations are as follows:

		Number of Members	
	Apr. 1924	Apr. 1925	
Burley Tobacco Growers' Cooperative Assn., Lexington, Ky.	102,300	108,044	
Tobacco Growers' Cooperative Assn., Raleigh, N. C.	95,000	96,352	
Dark Tobacco Growers' Cooperative Assn., Hopkinsville, Ky.	70,200	71,085	
Northern Wisconsin Cooperative Tobacco Pool, Madison, Wis.	7,635	7,810	
Miami Valley Tobacco Growers' Assn., Dayton, Ohio	4,901	4,946	
Maryland Tobacco Growers' Assn., Baltimore, Md.	4,862	4,664	
Connecticut Valley Tobacco Assn., Inc., Hartford, Conn.	5,604	3,729	
Total	288,502	296,630	

a/ Estimated

MINNESOTA ASSOCIATION CHANGES ITS NAME

At the eighteenth annual convention of the Farmers Grain Dealers' Association of Minnesota, held at Minneapolis, February 17 to 19, a resolution was adopted to change the ambiguous name of the organization to express what it really was, "The Farmers' Elevator Association of Minnesota." It was also proposed that the name of the American Cooperative Journal, Chicago, should be changed to "The Farmers' Elevator News," in order to identify it more clearly with the business for which it is the official publication. Another resolution approved the plan of painting the elevators of the association battleship gray, trimmed with green, marking them boldly, "Farmer Owned," and displaying prominently the slogan "There is no substitute for a farmers' elevator."

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COST OF SERVICES RENDERED BY M.F.A.T. ASSOCIATION

In marketing the 1923 wheat crop, the Minnesota Wheat Growers' Cooperative Marketing Association, Minneapolis, Minn., handled the grain in two pools, the regular fall and winter pool, and a spring pool. The marketing expense incurred by the association was \$19,203 for the fall pool and \$1,174 for the spring pool. The expenses calculated upon a per-bushel basis, give a cost of 3.65 cents per bushel for the winter pool and 4.03 cents for the spring pool. The items making up the totals are:

	: Fall	: Spring
	: Pool	: Pool
	: (cents)	: (cents)
Officers' and employees salaries, expenses	: 1.38	: 1.64
Auditing	: .15	: .12
Telephone and telegraph	: .13	: .10
Printing, stationery and office supplies	: .36	: .30
Directors' compensation and expense	: .19	: .16
Rent, light, heat and water	: .11	: .10
Legal	: .07	: .06
Postage and express	: .06	: .04
Depreciation, revenue stamps, incidentals	: .09	: .07
American Wheat Growers' Sales expense	: .64	: .54
Additional selling expense	: .00	: .20
Total	: 3.58	: 4.03

Between 600,000 and 700,000 bushels of wheat were handled in the two pools.

ILLINOIS FRUITS AND VEGETABLES TO BE SOLD COOPERATIVELY

"The Western Illinois Growers' Association, Inc.," is the name of an organization formed recently by growers of fruits and vegetables in the neighborhood of Quincy, for the purpose of marketing their crops to advantage. The association is a stock company having common stock in lieu of membership, and preferred stock with a par value of \$100 a share. Growers are under a five-year contract, with one cancellation period each year. The new company is affiliated with the Illinois Fruit Growers' Exchange which has employed a man to devote his entire time to the sale of Illinois products.

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NEW MEMBERSHIP DRIVE BY POTATO ASSOCIATION

At a meeting of the growers in August of 1924, a membership drive was started in behalf of the Michigan Potato Growers' Exchange, Cadillac, Mich.

The basic principles in the plan of the campaign are: first, an acreage of not less than 50,000 acres; second, a binding contract; third, a seasonal pooling system, in which every grower participates equally on the basis of variety, quality and grade; fourth, a selling plan under which only potatoes are handled and only for members; fifth, long term contracts between local associations and the exchange; sixth, the employment of commercial experts to handle the business of the exchange.

By March 1, 1925, 5,207 men, growers of 24,470 acres of potatoes in 1924, had signed the contract. It is required that 5,500 acres more be signed up before the plan can be put into effect.

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ILLINOIS ASSOCIATION SHIPS TO MANY MARKETS

Shipments by the Illinois Fruit Growers' Exchange, Centralia, Ill., consisted of 416 cars during the 1924 season. Total shipments were made up of the following: Apples, 135 cars; potatoes, 79 cars; strawberries, 73; peaches, 65; cabbage, 47; pears, 13; blackberries, 2; raspberries and cherries, 1; green tomatoes, 1.

The produce was shipped to 61 markets in 17 states as follows: Illinois, 14 markets; Indiana, 7; Ohio, 7; Tennessee, 6; Michigan, 5; Minnesota, 4; Mississippi, 4; Wisconsin, 3; Florida, 2; New York, 2; and to one market in each of seven states, namely, Alabama, Kentucky, Louisiana, Missouri, Nebraska, North Dakota, and South Dakota.

The preceding season nearly 600 cars of produce were handled. These were shipped to 98 markets in 20 states. (See Agricultural Cooperation, Vol. II, p. 72.)

The association closed the year 1924 with \$2,800 in cash and a net worth of \$4,444.

SECOND DISTRIBUTION GOING TO MINNESOTA POTATO GROWERS

A second payment to its members is being made by the Minnesota Potato Growers' Exchange, St. Paul, Minn., on all potatoes delivered before March 1. The schedule of prices ranges from 5 cents on commercial grade, round whites, in some districts, to 30 cents on certified, Bliss triumphs. For all potatoes delivered before March 1 which were not covered by the first advance, this payment is covering both the first and second advances. Accounts are being figured on the full delivered weight, and adjustment for shrinkage and home storage will be made later. This distribution will amount to more than \$350,000.

Beginning early in March the members began delivering potatoes held on the farms and by the middle of the month receipts were reported to be nearly as heavy as they were last fall.

A series of 59 meetings have been held by the manager and the director of field service throughout the state, at which they personally met more than 8,000 members.

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POTATO GROWERS IN MICHIGAN EVOLVE NEW POOLING PLAN

Members of the Potato Growers' Association at Falmouth, Mich., have evolved a plan for the orderly marketing of their potatoes through the medium of a single season pool. The pool period begins with December 1 and closes with June 30 of the following year. At the beginning of the pool period, a careful estimate is made of the total quantity of potatoes to be marketed and then one-seventh of this quantity is shipped every month regardless of weather conditions, market conditions, or price. As a car is sold, the returns are placed in the bank and at the end of the month, settlement is made with each member on the basis of one-seventh of the potatoes he has listed with the association. At the end of the seventh month, such adjustments are made as are necessary because of minor over or under estimates.

The claims made for this method of marketing and pooling are: (1) Every member receives the average season price for his potatoes, (2) the grower gets some money every month, (3) overhead expense is reduced as the work to be done in loading and shipping is the same for every week in the pool season and wastes occurring because of rush and slack periods are avoided, (4) the grower is relieved of worry regarding the ups-and-downs of the market as he is sure of the average price for the season. He just hauls his potatoes to the warehouse as convenient throughout the season, (5) the old-line dealers are put at a disadvantage in their efforts to destroy the morale of the growers.

The board of directors of the Falmouth Association meets every month at which time the manager of the organization submits a written report giving a detailed statement of the affairs of the local, noting all financial transactions of importance and all changes in the financial status of the organization.

It is a rule of the association that all checks in favor of the manager must be signed by the president and secretary of the association in order to be valid. All other checks are signed by the manager.

OVER FIFTY THOUSAND IN PATRONAGE REFUNDS TO FRUIT GROWERS

"To reduce to the minimum the final cost of essential supplies," has been the primary object for the operation of the Fruit Growers' Supply Company, Los Angeles, Calif., which has served the members of the California Fruit Growers' Exchange, Los Angeles, for eighteen years. Since the creation of the Supply Company, its stockholders (the associations affiliated with the Exchange), have purchased through the organization, supplies to the value of \$79,380,383, and lumber and lumber products have been sold to the amount of \$11,463,753, making a total volume of business in excess of \$91,000,000. The member associations and shippers have been paid dividends on capital stock to the amount of \$1,553,034, and have been paid patronage refunds to the amount of \$3,796,428. Thus they have received in dividends and refunds, \$5,349,512, which is a greater amount than is represented by outstanding capital stock, surplus and reserves. These latter items totaled \$5,146,431 on December 31, 1924.

Total sales for the fiscal year ending with December, 1924, were \$10,212,491. Over 60% of the total came from the sale of packing house supplies and nearly 20% from the sale of orchard supplies. Patronage refunds for 1924 were \$39,821 on orchard supplies and \$10,585 on packing house supplies. In addition, there was a credit balance in the box unit pool of \$21,289. This amount was subject to disposition by the board of directors.

Approximately 90,000,000 feet of logs were cut at the mills owned and operated by the company. Lumber sales were \$1,467,751 for the year. During the year, citrus buds of different varieties to the number of 431,489 were sold.

Owing to its extensive operation, the company carries its own employer's liability for its several lumber enterprises.

The growth of the company since 1915 is indicated by the figures below, also the percentage cost of operation. It will be noted that an increase in volume of business has not always resulted in reduced percentage costs.

Year	:		: Patronage	: Cost of
: Business transacted:			Refund	Operation
: Sales : Index :			:	:
			(Per cent)	
1915a/	:\$ 4,061,546	: 100	: -----	: -----
1916a/	: 4,092,865	: 101	: \$ 153,054	: .856
1917a/	: 5,759,080	: 142	: 146,902	: d/ .827
1918a/	: 4,251,969	: 105	: 143,872	: 1.82
1919a/	: 7,337,666	: 181	: 531,530	: 1.71
1920a/	: 9,837,073	: 242	: 257,459	: 1.34
1921b/	: 13,702,556	: 338	: 2,171,249	: 1.45
1922c/	: 10,216,514	: 252	: 17,656	: 1.97
1923c/	: 11,339,444	: 279	: 56,451	: 1.74
1924c/	: 10,212,491	: 251	: 50,407	: 1.62

a/ Fiscal year ending August 31.

b/ Fiscal year ending October 31.

c/ Fiscal year ending December 31.

d/ Exclusive of lumber business.

CONTRACT OF WHEAT GROWERS' ASSOCIATION SUSTAINED

The case of the Washington Wheat Growers' Association V. Leifer, 232 Pacific 339, was recently decided by the Supreme Court of Washington in favor of the association. In this case the association successfully sought to enjoin the defendant from selling wheat outside the association and to recover damages on account of wheat thus sold by him. He interposed several rather novel defenses to the suit.

It appeared that various wheat growers in Washington, Idaho, and Oregon executed an agreement having for its object the organization of the association and the furnishing thereto by the members of any wheat which they might raise. This agreement named fifteen men to be the organization committee and made it their duty to organize the corporation. Each signer of the agreement among other things agreed that his signature thereto should be regarded also as his signature to a contract made a part of the agreement, under which each member of the association agreed to deliver his wheat to the association for marketing; it also provided for damages for breach thereof.

The lower court held in favor of the association, and the defendant appealed. He contended that the judgment of the lower court was wrong because those who actually organized the association, or who were the signers of the articles of incorporation, were not the ones named as the organization committee in the association agreement. Fifteen men actually signed the articles of incorporation, but only six of them were members of the organization committee. However, inasmuch as the provisions in the agreement naming this committee provided that it might increase its membership and elect new members in place of any who might resign or be unable to act, and as it was authorized to take such other steps as it might deem advisable in order to secure signatures to the agreement and to organize the corporation, the court held it was not necessary that those executing the articles of incorporation should be the identical persons named as the organization committee.

The original agreement provided that the marketing contracts signed by the various growers of wheat should not become effective unless the growers of a certain per cent of the wheat grown in the three states referred to, should sign the agreement on or before March 1, 1921, and remain bound thereby. The defendant claimed that the requisite number of signers had not been secured. The court intimated that this objection would be good if in accord with the facts, but pointed out that the agreement provided that the organization committee should have the authority to determine if the required number of growers of wheat had signed the agreement and that their conclusion thereunder with respect to this matter was final; and inasmuch as the evidence showed that the organization committee had reached the conclusion that the required number of signers had been obtained to the agreement, and as the board of directors of the association on receipt of this information had passed a resolution declaring all the marketing contracts to be in full force and effect - copies of which resolution were mailed to the various members of the association - the proof was ample to show that the necessary number of signatures had been obtained within the time specified in the agreement.

L. S. Hilbert.

WOMEN ELIGIBLE TO OFFICE IN CANADIAN COOPERATIVE

Women are eligible to full membership and to hold office according to the plan of organization of the recently incorporated Saskatchewan Cooperative Poultry Producers, Limited. A crop contract covering five years, but excluding the eggs produced this season, has been drafted and a campaign for signatures to the contract is to start shortly.

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GERMANS COOPERATE IN EMPLOYING AGRICULTURAL ENGINEERS

A German enterprise reported by the Agricultural Trade Commissioner at Berlin, is the employment of "consulting engineers" by groups or "rings" of small associations. Each ring employs an engineer whose services belong to the members. If the ring is made up of large farmers, three or four may have work enough to keep an engineer busy. If the ring happens to be made up of small farmers living together in a village he may work for as many as a hundred. His job is to advise the farmers regarding the equipment needed, what type to buy, how to use it, and how to care for it.

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ESTHONIA ENCOURAGES DAIRY COOPERATIVES

One hundred nineteen cooperative dairy associations were operating in the Estonian Republic at the end of 1923, according to a recent consular report from that country. Of this number one was founded in 1898, one in 1908, two in 1909, nine in 1910, sixteen in 1911, twenty-four in 1912, six in 1913, one in 1914, one in 1916, three in 1921, fifteen in 1922, and forty in 1923. In the first nine months of 1924 fifty new cooperatives were formed. The quantity of milk handled by the cooperatives in 1923 totaled 113,500,000 pounds, compared with 700,000 pounds in 1921.

Formerly dairying was mostly in the hands of large landed proprietors. New life has been put into the industry by the formation of cooperative societies which include the small farmers. The export control has stimulated the formation of cooperatives to prepare products which could find a foreign market. The control increases the value of butter, since only high quality is allowed to be exported, and the good prices secured in foreign markets are an inducement to makers to improve the quality.

This butter control was established by the Government in July, 1921, and all butter for export must be graded and stamped by the Ministry of Agriculture. The control station classifies all butter and determines the percentage of water and the percentage of fat in export butter.

Another feature of the work is that the government grants credit for building and equipping dairies. During 1923, such loans were granted to the amount of \$118,421 to 54 cooperatives, and in the first ten months of 1924, \$82,895 had been loaned to 40 cooperatives.

CIRCULAR OF LEGAL INFORMATION COMPILED

A mimeographed circular entitled "Summary of Cases and Decisions on Legal Phases of Cooperation, No. 2," has been compiled and is ready for distribution to interested parties. This 34-page circular contains the more important items of legal information which have appeared in Agricultural Cooperation during the past year. Copies may be secured by addressing the Division of Agricultural Cooperation, Bureau of Agricultural Economics, Washington, D. C. No. 1 of the series was issued early in 1924. A limited number of copies of No. 1 are still available for distribution.

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BIBLIOGRAPHY OF THE COOPERATIVE MOVEMENT

"The Co-operative Movement: A Selected Bibliography," compiled by Florence E. Parker, of the Bureau of Labor Statistics, is published in the March number of the Monthly Labor Review. The list covers 33 pages and is classified under the following headings: General (Agricultural Cooperation; Consumers' Cooperation; Cooperative Banking and Credit; Workers' Productive Cooperation); Australia; Austria; Belgium; Canada; Czechoslovakia; Denmark; Finland; France; Germany; Great Britain; India; Ireland; Italy; Netherlands; Norway; Russia; Scotland; Sweden; Switzerland; United States (Agricultural Cooperation, Cooperative Banking and Credit, Consumers' Cooperation, Workers' Productive Societies); Other Countries.

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MONOGRAPH DESCRIBES CANADIAN ENTERPRISES

"Agricultural Cooperation in Western Canada," is the title of a book published in 1924 as an addition to the Queen's University Studies. W. A. Mackintosh, M.A., Ph.D., of the Department of Economics, Queen's University, Kingston, Canada, is the author. As the monograph is limited to the investigation of cooperative marketing and purchasing in the three provinces of Alberta, Saskatchewan and Manitoba, the major part of the volume is given to the subject of grain and the various enterprises for handling grain crops in those provinces. Developments in the handling of livestock, dairy products, and wool, as well as the cooperative purchasing of supplies, are also described. Numerous charts and tables illustrate the text and a classified bibliography is added.

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